

Message Text

SECRET

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ACTION SS-25

INFO LOG-00 ADS-00 CIAE-00 DODE-00 NSCE-00 NSAE-00 SSO-00
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-----373673 022351Z /52

O 021737Z OCT 75

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC IMMEDIATE 3374

AMEMBASSY TEL AVIV IMMEDIATE

INFO AMCONSUL ALEXANDRIA IMMEDIATE

S E C R E T SECTION 03 OF 03 CAIRO 25424

EXDIS

E.O. 12356: DECL: OADR

TAGS: PREL, EG, US, IS

SUBJECT: TABA: MEETING WITH BADAWI, OCTOBER 2

THE QUESTION AND REFERRED REPEATEDLY TO ITS USE OF
THE PHRASE "TECHNICAL QUESTIONS."

9. BADAWI ALSO DISCUSSED THE QUESTION OF WHETHER THE
ARBITRAL AWARD WOULD BE BASED ONLY ON LAW OR ALSO ON
EQUITY, WHICH HE CHARACTERIZED AS A VERY DIFFICULT ISSUE.
BADAWI SAID HE DID NOT RULE OUT TAMIR'S SUGGESTION THAT
THE BASIS BE LAW, BUT THAT ACCESS AND OTHER ARRANGE-
MENTS BE WORKED OUT WHICH WOULD APPLY REGARDLESS OF
WHO WON THE ARBITRATION. KRECZKO SAID THAT WORK IN
THE SECOND COMMITTEE ON ACCEPTABLE SOLUTIONS MIGHT
THEREFORE HELP THE FIRST COMMITTEE ON THIS ISSUE.

10. COMMENT: BADAWI'S EAGERNESS TO ENGAGE ON TABA
SUGGESTS THAT GOE FULLY APPRECIATES THAT RESUMPTION
OF TABA TALKS IS IN ITS OWN INTERESTS AND THAT THEY
WILL SEEK THE RESUMPTION AS SOON AS POLITICALLY

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FEASIBLE. HOWEVER, THERE MAY BE A SERIOUS PROCEDURAL
PROBLEM TO RESUMPTION IF A WAY CANNOT BE FOUND
AROUND GOE REJECTION OF ANY FORMULA INVOLVING THE
WORD CONCILIATION, AND LIKUD'S APPARENT INSISTENCE ON
A REFERENCE TO IT. AS TO BADAWI'S REQUEST FOR
HANDLING THIS ISSUE, WE BELIEVE IT WOULD NOT BE APPRO-

PRIATE FOR GOE TO SPRING THIS PROBLEM ON GOI AFTER
GOI DELEGAS ARRIVED IN EGYPT. WE ALSO DO NOT
BELIEVE WE SHOULD BE THE FIRST TO EXPLAIN THE PROBLEM
TO GOI, ALTHOUGH WE SHOULD BE PREPARED TO GO OVER OUR
UNDERSTANDING OF THE GOE PROBLEM WITH TAMIR AND NOVIK
AFTER THERE HAS BEEN DIRECT CONTACTS. IN ANY EVENT,
IT IS UNLIKELY THAT BADAWI WILL BE IN TOUCH WITH THE
GOI ON THIS ISSUE UNTIL TALK OF RESUMPTION IS
POLITICALLY ACCEPTABLE.
VELIOTES

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PROBABLY WOULD NOT BE UNTIL TIMING OF RESUMPTION WAS CLEAR (BADAWI DID NOT SPECULATE ON THIS). BADAWI SAID ONE POSSIBILITY WAS THAT GOE WOULD INVITE GOI DELEGATION AND THEN AT OPENING SESSION TRY TO WORK OUT A NEW AGREED TITLE FOR THE SECOND COMMITTEE; HE RECOGNIZED, HOWEVER, THAT THIS WOULD OPEN GOE TO CHARGES OF BAD FAITH. ALTERNATIVE WAS TO DISCUSS THE PROBLEM BILATERALLY WITH GOI BEFORE TALKS BEGAN, BUT HE REALIZED THAT THIS PUT AT RISK THE RESUMPTION OF THE TALKS. BADAWI SAID THAT HE WOULD APPRECIATE U.S. ADVICE ON HOW TO HANDLE IT. HE READILY ACKNOWLEDGED THAT THE CHANGE WOULD BE DIFFICULT FOR ISRAEL, BUT HE WAS ADAMANT THAT GOE WOULD NOT AGREE TO ANY FORMULA WHICH INCLUDED THE WORD CONCILIATION.

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7. TURNING TO ALTERNATIVE SOLUTIONS, BADAWI SAID THAT GOE UNDERSTOOD THE RISKS OF ARBITRATION AND WAS NOT

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WED TO IT IF ANOTHER SOLUTION COULD BE FOUND. HE SAID GOE WAS DEVISING ALTERNATIVE SOLUTIONS BUT WITH A CLEAR BOTTOM-LINE: THERE MUST BE GOE SOVEREIGNTY OVER ALL OF TABA, WITH NO MORTGAGES ON THE SOVEREIGNTY. KRECZKO REPORTED THAT GOI SHARED EGYPT'S INTEREST IN SEEING WHETHER THERE WERE REAL POSSIBILITIES. DISCU WITH MFA LAWYERS INDICATED THAT GOI WOULD PREFER ARRANGEMENTS WHICH SPLIT OR DEFERRED SOVEREIGNTY. BADAWI SAID THAT HE HAD HEARD A SIMILAR PROPOSAL FROM TAMIR, WHO HAD SUGGESTED THAT HALF OF TABA BE RETURNED TO EGYPT, WITH THE REMAINDER UNDER JOINT ADMINISTRATION FOR SEVEN TO TEN YEARS, AT WHICH POINT THE SOVEREIGNTY OVER THE SECOND HALF WOULD BE RESOLVED THROUGH ARBITRATION. BADAWI DISMISSED THE IDEA. KRECZKO SAID THAT WE HAD SHARED IN ISRAEL OUR IMPRESSION THAT GOE WOULD INSIST ON TOTAL SOVEREIGNTY. CLEARLY, THIS WOULD NOT BE EASY FOR EVEN LABOR TO ACCEPT, BUT IT HAD NOT BEEN RULED OUT. KEY WOULD BE THE EXTENT OF ARRANGEMENTS AND ACCESS GOE WOULD OFFER AND WHETHER AN ELEMENT OF COOPERATION COULD BE HIGHLIGHTED IN THE AREA. KRECZKO SAID DEAL WOULD HAVE TO BE VERY ATTRACTIVE; IF TABA WERE TREATED JUST LIKE THE REST OF SOUTHERN SINAI, GOI WAS UNLIKELY TO CONCEDE SOVEREIGNTY. BADAWI SAID GOE COULD NEVER AGREE THAT TABA WAS SEPARATE FROM SOUTHERN SINAI OR THAT TABA WAS AN EXTENSION OF EILAT; IT HAD TO BE CLEAR THAT PEOPLE ENTERED EGYPT WHEN THEY ENTERED TABA. SHERMAN SAID THAT

PRACTICAL ARRANGEMENTS SHOULD BE CONCEIVABLE AND
CONSISTENT WITH THESE PRINCIPLES.
SHERMAN ASKED BADAWI TO DESCRIBE PREVIOUS CONTACTS BETWEEN
EGYPTIANS AND ISRAELIS ON THE HOTEL ISSUE. BADAWI SAID
SIMPLY THAT THE DEAL FELL THROUGH FOR PURELY BUSINESS
REASONS. KRECZKO SAID ISSUE DID NOT HAVE TO BE
ADDRESSED SOLELY ON BASIS OF COMPENSATION -- WHAT WERE

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THE POSSIBILITIES CONCERNING JOINT VENTURES? BADAWI
SAID THAT THE FUTURE OF THE HOTEL WAS A BUSINESS ISSUE
IN WHICH HE WAS NOT PARTICULARLY INTERESTED -- AT THIS
POINT.

8. ON ARBITRATION, BADAWI DID NOT OBJECT TO CONCENTRA-
TION ON MAIN ELEMENTS. (WE DID NOT GET INTO THE ISSUE
OF DRAFTINGCONFIRMED THAT TAMIR HAD RAISED
SUGGESTIONS FOR THE MAIN ELEMENTS OF A COMPROMIS WITH
HIM. HE THOUGHT THAT THE TIME FRAME SHOULD BE
RESOLVABLE, SINCE GOE THOUGHT 6 MONTHS WAS APPROPRIATE
AND TAMIR HAD TALKED IN TERMS OF 9 - 12 MONTHS. BADAWI
THOUGHT THAT THE ONLY DIFFICULT ISSUE CONCERNING THE
ARBITRATION PANEL WAS WHAT WOULD HAPPEN IF EGYPT AND
ISRAEL COULD NOT AGREE ON THE UMPIRE; BADAWI HOPED
THIS WOULD NOT BE THE CASE, HOWEVER, AND INDICATED
THAT IDEA OF US PROVIDING A LIST OF POTENTIAL ARBITRATORS
TO THE PARTIES IS STILL A POSSIBILITY. ON THE ARBITRAL
QUESTION, BADAWI DISMISSED TAMIR'S SUGGESTION THAT IT
MIGHT BE POSSIBLE FOR EACH COUNTRY TO SUBMIT ITS
FORMULATION AND TO LET THE ARBITRATORS DECIDE. HE
SAID GOE WOULD REJECT ANY FORMULA WHICH SUGGESTED THAT
EGYPTIAN BOUNDARY WAS TO BE RE-OPENED. HE EXPLAINED
THE ISSUE AS FOLLOWS: EGYPT WOULD SAY THE BOUNDARY
MARKER SHOULD BE AT POINT AND SUBMIT ITS EVIDENCE
IN SUPPORT OF THIS; ISRAEL WOULD SAY THAT BOUNDARY
MARKER SHOULD BE AT POINT Y AND WOULD SUBMIT ITS
EVIDENCE IN SUPPORT OF THIS. BADAWI SAID IT WAS
ABSOLUTELY LEGITIMATE FOR GOI TO ARGUE THAT THE
BOUNDARY MARKERS HAD BEEN MOVED IF THAT WAS ITS
CONTENTION. BADAWI SAID APRIL 25, 1982 AGREEMENT
CONTAINED LANGUAGE WHICH MIGHT BE USEFUL IN DRAFTING

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INFO AMCONSUL ALEXANDRIA IMMEDIATE

S E C R E T SECTION 01 OF 03 CAIRO 25424

EXDIS

E.O. 12356: DECL: OADR
TAGS: PREL, EG, US, IS
SUBJECT: TABA: MEETING WITH BADAWI, OCTOBER 2

REF: CAIRO 25330

1. SECRET - ENTIRE TEXT.

2. SUMMARY. NOTWITHSTANDING CANCELATION OF OCTOBER 8
SESSION OF TABA TALKS DUE TO ISRAELI RAID ON TUNIS, MFA
UNDERSECRETARY BADAWI ENGAGED ACTIVELY IN DISCUSSION OF
TABA ISSUES WITH US. BADAWI DID NOT SPECULATE ON WHEN
THE TALKS WOULD RESUME, BUT HIS ACTIVE ENGAGEMENT
DEMONSTRATES THAT GOE UNDERSTANDS THAT RESUMPTION IS IN
ITS OWN INTEREST. BADAWI CONFIRMED THAT EVEN AFTER THE
POLITICAL CLIMATE IMPROVES, THERE WILL BE A PROCEDURAL
DIFFICULTY IN RESUMING THE TALKS: WHILE THE GOE IS
PREPARED TO LISTEN TO GOI VIEWS ON CONCILIATION AND TO
RESPOND IN A DETAILED AND THOROUGH MANNER, IT WILL NOT
AGREE TO ANY FORMULA (INCLUDING THE SEPTEMBER 26 PAPER)
WHICH ASSOCIATES THE GOE WITH THE WORD CONCILIATION

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(SEE ALSO REFTEL). BADAWI ALSO PROVIDED SOME PRELIMINARY
THOUGHTS ON A NEGOTIATED SETTLEMENTS AND ON THE MAIN
ELEMENTS OF AN ARBITRATION COMPROMIS. END SUMMARY.

3. POLCOUNS SHERMAN, KRECZKO (L/NEA), AND POLOFF EICHER

MET WITH MFA UNDERSECRETARY BADAWI FOR 90 MINUTES
OCTOBER 2. INITIAL PART OF MEETING WAS DEVOTED TO
ISRAELI RAID ON TUNIS AND POSSIBLE UN ACTION (SEPTTEL).
-N RESPONSE TO SHERMAN'S QUESTION AS TO HOW THE
TALKS WOULD HAVE PROCEEDED HAD THEY STARTED ON OCTOBER
8, BADAWI SAID THAT GOE WOULD HAVE WORKED SERIOUSLY ON
BOTH THE ARBITRATION COMPROMIS AND THE EXPLORATION OF
OTHER WAYS TO RESOLVE TABA. BADAWI SAID GOE WOULD NOT,
HOWEVER, ACCEPT CONCILIATION AND WOULD NOT ACCEPT A
SPECIFIC REFERENCE TO IT IN THE TITLE OF THE SECOND
COMMITTEE. KRECZKO ASKED IF THIS MEANT EGYPT WOULD
REOPEN THE SEPTEMBER 26 PAPER. BADAWI RESPONDED THAT
THE ISRAELI APPROACH RETURNED THINGS TO APRIL 25, 1982,
WHEN NEGOTIATIONS, CONCILIATION AND ARBITRATION WERE ALL
POSSIBILITIES. GOE HAD MADE A MAJOR CONCESSION IN
AGREEING TO DISCUSS ALTERNATIVE SOLUTIONS, NOTWITHSTAND-
ING FACT THAT GOI HAD LONG AGO AGREED THAT THE NEGOTIAT-
ING STAGE HAD BEEN EXHAUSTED. KRECZKO POINTED OUT THAT
GOI WAS NOW WILLING TO WORK ON AN ARBITRATION COMPROMIS,
WHEREAS IT PREVIOUSLY HAD INSISTED THAT THIS COULD BEGIN
ONLY AFTER THE RETURN OF THE AMBASSADOR. BADAWI
REJOINED THAT IT WAS NOT CLEAR THAT THE GOI WOULD EVER
ACCEPT ARBITRATION. KRECZKO SAID THAT THE STRATEGY WAS
TO PUT THE PROPONENTS OF ARBITRATION IN THE STRONGEST
POSSIBLE POSITION WHEN TABA WAS NEXT PUT TO THE CABINET.
THIS REQUIRED A THOROUGH EXPLORATION OF ALTERNATIVE
SOLUTIONS (EVEN IF IN THE END NONE COULD BE FOUND), AND
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SOME UNDERSTANDING OF THE ARBITRATION COMPROMIS. BUT,
AS A POLITICAL MATTER, ISRAELI DELEGATION WOULD ALSO NEED
TO PROVIDE A FULL REPORT ON GOI EFFORTS TO SELL CONCILIA-
TION AND THE GOE RESPONSE.

5. KRECZKO SAID THAT HE THOUGHT GOE AND GOI WOULD AGREE
ON HOW TO PROCEED IN THE SECOND COMMITTEE, IF THE
NOMENCLATURE PROBLEM COULD BE OVERCOME. ON THE BASIS
OF HIS TALKS IN ISRAEL, HE REPORTED THAT GOI FORESAW
MOST OF SECOND COMMITTEE'S TIME DEV ALTERNATIVE
SOLUTIONS. HOWEVER, THERE WOULD ALSO BE A LONG AND
DETAILED PRESENTATION OF THE GOI POSITION ON CONCILIATION.
TAMIR'S HOPE WAS THAT THE GOE WOULD RESPOND IN A DETAILED
FASHION AND NOT JUST REITERATE ITS OPPOSITION. KRECZKO
GAVE EXAMPLES TAMIR HAD USED TO DEMONSTRATE HOW GOE
COULD "DISCUSS" VARIOUS ELEMENTS OF CONCILIATION.
KRECZKO STRESSED THAT GOI REALIZED THAT GOE POSITION ON
CONCILIATION WOULD NOT CHANGE AND THAT THERE WAS NO
LINKAGE BETWEEN PROGRESS ON CONCILIATION AND WORK ON
THE ARBITRATION COMPROMIS. BADAWI SAID THAT HE HAD NO
PROBLEM WITH THIS SCENARIO. THE GOE COULD SET OUT ITS
DIFFICULTIES WITH CONCILIATION IN A DETAILED AND LOGICAL

FASHION. HOWEVER, GOE WOULD NOT AGREE THAT SUCH A DISCUSSION WAS USEFUL AND WOULD NOT AGREE TO INCLUDE CONCILIATION IN THE NAME OF THE COMMITTEE. PUBLIC CHARACTERIZATION WAS ALL IMPORTANT TO EGYPT. GOI WOULD BE ABLE TO RAISE CONCILIATION AND COULD SAY PUBLICLY THAT CONCILIATION WAS BEING DISCUSSED, BUT GOE WOULD NOT ASSOCIATE ITSELF WITH THAT CHARACTERIZATION.

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6. SHERMAN ASKED IF GOI WAS AWARE OF THIS GOE POSITION. BADAWI SAID THAT GOI HAD NOT YET BEEN INFORMED AND

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S E C R E T SECTION 03 OF 03 CAIRO 25424

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SUBJECT: TABA: MEETING WITH BADAWI, OCTOBER 2

THE QUESTION AND REFERRED REPEATEDLY TO ITS USE OF THE PHRASE "TECHNICAL QUESTIONS."

9. BADAWI ALSO DISCUSSED THE QUESTION OF WHETHER THE ARBITRAL AWARD WOULD BE BASED ONLY ON LAW OR ALSO ON EQUITY, WHICH HE CHARACTERIZED AS A VERY DIFFICULT ISSUE. BADAWI SAID HE DID NOT RULE OUT TAMIR'S SUGGESTION THAT THE BASIS BE LAW, BUT THAT ACCESS AND OTHER ARRANGE-

MENTS BE WORKED OUT WHICH WOULD APPLY REGARDLESS OF WHO WON THE ARBITRATION. KRECZKO SAID THAT WORK IN THE SECOND COMMITTEE ON ACCEPTABLE SOLUTIONS MIGHT THEREFORE HELP THE FIRST COMMITTEE ON THIS ISSUE.

10. COMMENT: BADAWI'S EAGERNESS TO ENGAGE ON TABA SUGGESTS THAT GOE FULLY APPRECIATES THAT RESUMPTION OF TABA TALKS IS IN ITS OWN INTERESTS AND THAT THEY WILL SEEK THE RESUMPTION AS SOON AS POLITICALLY FEASIBLE. HOWEVER, THERE MAY BE A SERIOUS PROCEDURAL

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PROBLEM TO RESUMPTION IF A WAY CANNOT BE FOUND AROUND GOE REJECTION OF ANY FORMULA INVOLVING THE WORD CONCILIATION, AND LIKUD'S APPARENT INSISTENCE ON A REFERENCE TO IT. AS TO BADAWI'S REQUEST FOR HANDLING THIS ISSUE, WE BELIEVE IT WOULD NOT BE APPROPRIATE FOR GOE TO SPRING THIS PROBLEM ON GOI AFTER GOI DELEGATION HAS ARRIVED IN EGYPT. WE ALSO DO NOT BELIEVE WE BE THE FIRST TO EXPLAIN THE PROBLEM TO GOI, ALTHOUGH WE SHOULD BE PREPARED TO GO OVER OUR UNDERSTANDING OF THE GOE PROBLEM WITH TAMIR AND NOVIK AFTER THERE HAS BEEN DIRECT CONTACTS. IN ANY EVENT, IT IS UNLIKELY THAT BADAWI WILL BE IN TOUCH WITH THE GOI ON THIS ISSUE UNTIL TALK OF RESUMPTION IS POLITICALLY ACCEPTABLE.

VELIOTES

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7. TURNING TO ALTERNATIVE SOLUTIONS, BADAWI SAID THAT GOE UNDERSTOOD THE RISKS OF ARBITRATION AND WAS NOT WED TO IT IF ANOTHER SOLUTION COULD BE FOUND. HE SAID

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GOE WAS DEVISING ALTERNATIVE SOLUTIONS BUT WITH A CLEAR BOTTOM-LINE: THERE MUST BE GOE SOVEREIGNTY OVER ALL OF TABA, WITH NO MORTGAGES ON THE SOVEREIGNTY. KRECZKO REPORTED THAT GOI SHARED EGYPT'S INTEREST IN SEEING WHETHER THERE WERE REAL POSSIBILITIES. DISCUSSIONS WITH

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SAID THAT THE FUTURE OF THE HOTEL WAS A BUSINESS ISSUE IN WHICH HE WAS NOT PARTICULARLY INTERESTED -- AT THIS POINT.

8. ON ARBITRATION, BADAWI DID NOT OBJECT TO CONCENTRATION ON MAIN ELEMENTS. (WE DID NOT GET INTO THE ISSUE OF DRAFTING.) HE CONFIRMED THAT TAMIR HAD RAISED SUGGESTIONS FOR ELEMENTS OF A COMPROMIS WITH HIM. HE THOUGHT THAT THE TIME FRAME SHOULD BE RESOLVABLE, SINCE GOE THOUGHT 6 MONTHS WAS APPROPRIATE AND TAMIR HAD TALKED IN TERMS OF 9 - 12 MONTHS. BADAWI THOUGHT THAT THE ONLY DIFFICULT ISSUE CONCERNING THE ARBITRATION PANEL WAS WHAT WOULD HAPPEN IF EGYPT AND ISRAEL COULD NOT AGREE ON THE UMPIRE; BADAWI HOPED THIS WOULD NOT BE THE CASE, HOWEVER, AND INDICATED THAT IDEA OF US PROVIDING A LIST OF POTENTIAL ARBITRATORS TO THE PARTIES IS STILL A POSSIBILITY. ON THE ARBITRAL QUESTION, BADAWI DISMISSED TAMIR'S SUGGESTION THAT IT MIGHT BE POSSIBLE FOR EACH COUNTRY TO SUBMIT ITS FORMULATION AND TO LET THE ARBITRATORS DECIDE. HE SAID GOE WOULD REJECT ANY FORMULA WHICH SUGGESTED THAT

EGYPTIAN BOUNDARY WAS TO BE RE-OPENED. HE EXPLAINED THE ISSUE AS FOLLOWS: EGYPT WOULD SAY THE BOUNDARY MARKER SHOULD BE AT POINT AND SUBMIT ITS EVIDENCE IN SUPPORT OF THIS; ISRAEL WOULD SAY THAT BOUNDARY MARKER SHOULD BE AT POINT Y AND WOULD SUBMIT ITS EVIDENCE IN SUPPORT OF THIS. BADAWI SAID IT WAS ABSOLUTELY LEGITIMATE FOR GOI TO ARGUE THAT THE BOUNDARY MARKERS HAD BEEN MOVED IF THAT WAS ITS CONTENTION. BADAWI SAID APRIL 25, 1982 AGREEMENT CONTAINED LANGUAGE WHICH MIGHT BE USEFUL IN DRAFTING

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TAGS: PREL, EG, US, IS
To: SECSTATE WASHDC TEL AVIV ALEXANDRIA
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